

2019 BDS Release Note

The 2019 release includes a number of changes and improvements to the BDS. These changes and improvements are listed below.

1. New Tabulations for NAICS 11 (Agriculture, Forestry, Fishing, and Hunting)

The 2019 BDS now includes tabulations for Agriculture, Forestry, Fishing, and Hunting (NAICS 11). Industries 111 Crop Production and 112 Animal Production and Aquaculture are out of scope for both the BDS and County Business Patterns (CBP) and hence are not included in any BDS tables. The 2018 BDS release excluded non-farm agriculture industries NAICS 113, 114, and 115 (Forestry, Fishing and Hunting, and Support Activities for Agriculture and Forestry respectively) from industry tables due to issues with the vintage consistent NAICS codes and problems with longitudinal consistency in scope. Issues with scope have been resolved and establishments in industries 113, 114, and 115 are now included in all industry tables. All three of these 3-digit NAICS industries are aggregated to the 2-digit sector level (NAICS 11). Future improvements to the vintage consistent NAICS algorithms will allow for 3 and 4-digit NAICS detail within NAICS 11.

2. Changes to Establishment Exit Rate Series

The 2019 BDS release incorporates substantial improvements to the identification of in scope exiting establishments early in the time series. In the 2018 BDS release, many in scope establishments that transitioned from positive to zero employment from year-to-year, or establishment exits, were set out of scope. Figure 1 compares the establishment exit rate, and its employment weighted counterpart, job destruction deaths, from the 2019 and 2018 BDS release. In the 2019 BDS, the establishment exit rate is on average about 1.3 points higher in the 1980s, rising from about 10.4 to roughly 11.7. This increase in exiting establishments early in the time series generates a more clearly negative slope in the economy-wide establishment exit rate from the beginning of the series through the mid-1990s. The additional establishment exits tend to be relatively small in terms of employment, which translates to a more modest decline in job destruction from establishment exits. Many of the additional exits included in the 2019 BDS are single unit firms making them more likely to meet the definition of a firm death. Figure 2 shows the firm death rate and job destruction associated with firm deaths from both the 2019 and 2018 BDS data. We see a similar pattern of a higher firm death rate in the 1980s that is more muted in the employment weighted series (firm death job destruction). The improved identification of scope does not affect establishment entry or firm entry.

Figure 1. Establishment Exit Rate (left) and Job Destruction Deaths (right)

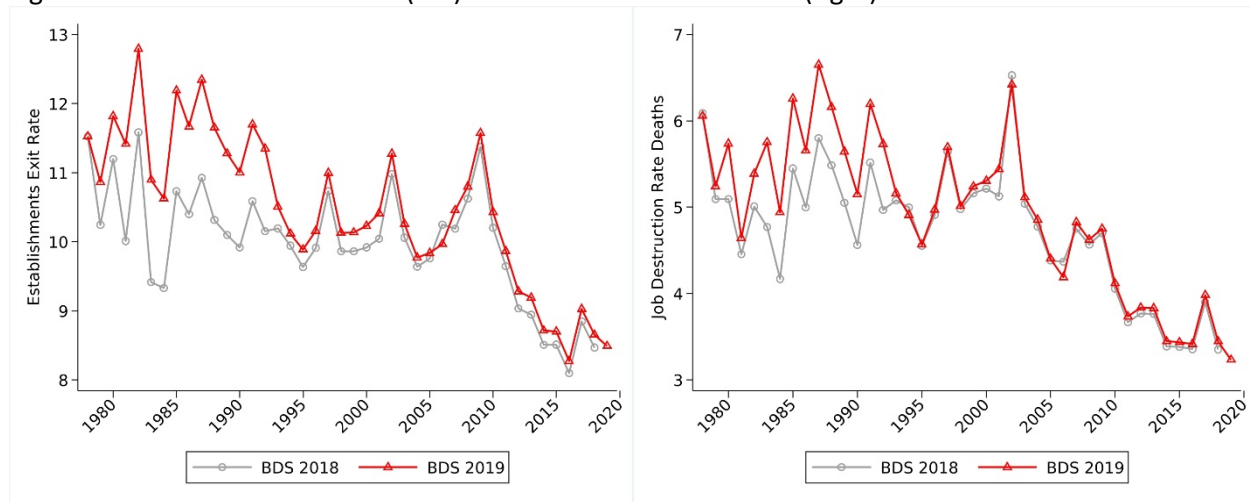
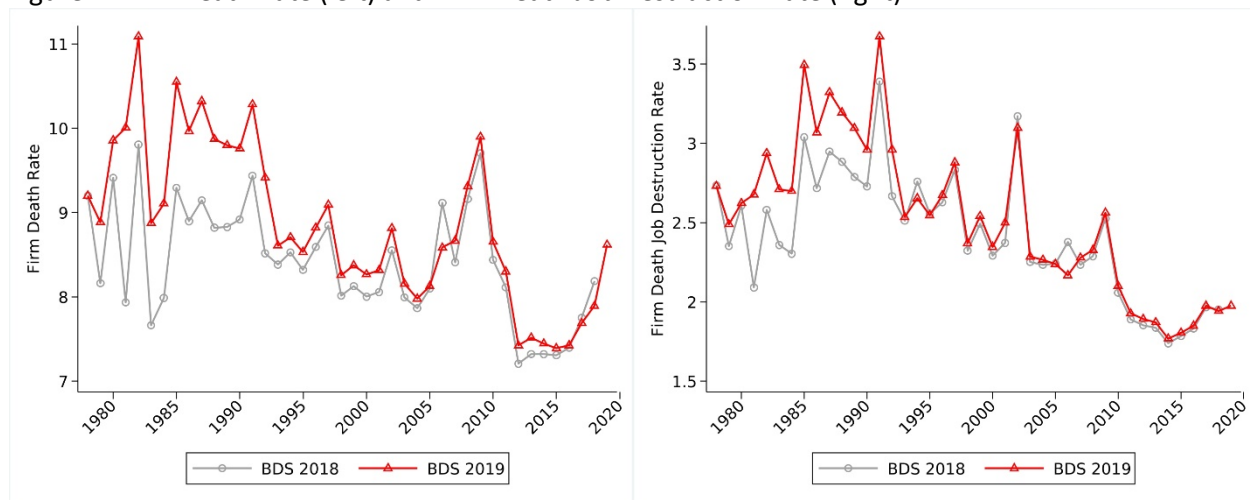


Figure 2. Firm Death Rate (left) and Firm Death Job Destruction Rate (right)



3. Transition from 2012 to 2017 vintage NAICS

The 2019 BDS switched to using the 2017 vintage (NAICS), while the 2018 BDS release used the 2012 (NAICS). For more information on the 2017 NAICS codes, as well as comparisons between the 2017 and 2012 codes, visit the [NAICS website](#).

4. Changes in Naming Conventions for CSV Datasets Posted on BDS Website

For the 2019 BDS release, the names of the CSV datasets published on the [BDS website](#) were shortened. This was done to simplify BDS processing.

5. Removing Nationwide (ST=97) Cases from the BDS

Nationwide cases have been removed entirely from the BDS dataset for the 2019 release. In the 2018 BDS, the nationwide designation was a state-equivalent geography assigned to establishments that could not reliably be assigned a specific state code. These nationwide establishments were coded as '97'

in the state tables. These cases were dropped in the 2019 BDS to simplify BDS geocoding, thereby making it easier for data users to understand and interpret the BDS data. Dropping these cases also made it easier to translate the BDS geocoding system to the standardized geocoding system used for publishing tables on data.census.gov and on the BDS API. These nationwide records represented a very small number of cases in the 2018 BDS, averaging only about 400 cases per year.

6. The addition of new “coarse” tabulations.

In the 2019 BDS, for each CSV dataset which includes firm or establishment age or size detail, a new dataset with broader age and size groupings is available. These new “coarse” firm and establishment age and size datasets are provided in addition to the more detailed datasets included in the 2018 BDS release. These additional coarse groupings improve the data user experience when using the [BDS Explorer data tool](#) (data visualization tool), by preventing users from encountering missing data. In addition, the new coarse tabulations are provided as a convenience to data users who are interested in BDS data with the broader age and size classes.

7. The addition of new three-way ‘firm age by firm size by sector’ tabulations

The 2019 BDS added new three-way tabulations, which show ‘firm age by firm size by sector’ detail. These new datasets include:

Firm Age by Firm Size by Sector
Firm Age by Initial Firm Size by Sector
Firm Age by Firm Size Coarse by Sector
Firm Age by Initial Firm Size Coarse by Sector

8. Changes to metro table geocoding

In the 2018 BDS, the metro table included 3 geocodes: M (in metro), N (not in metro), SW (statewide). SW cases in the metro table were equivalent to the cases in the county table with the code 999 (statewide). However, the county table also included the code 998 (unclassified) for cases that did not have a valid county code. These 998 (unclassified) cases, however, were not specifically identified in the metro table; they were instead lumped in with the N cases (not in metro). This coding system for the metro table was problematic because it was not consistent with the standardized geocoding system used for publishing tables on data.census.gov and on the BDS API. For the 2019 BDS, therefore, the code U (unclassified) was added to the coding system. These U (unclassified) cases—equivalent to the 998 cases in the county table—are pulled from the N (not in metro) cases. Thus, the new metro table for the 2019 BDS includes the following codes:

- M—metro
- N—nonmetro
- SW—statewide (equivalent to 999 cases in county table)
- U—unclassified (equivalent to 998 cases in county table)

9. Adding employment in the 1980s

Additional records were added to the 1980 and 1981 files. In the 2018 production run, these records were determined to have zero payroll and employment but have since been revised to be active in these years. This change reduced the establishment entry rate and job creation rate in 1982 and slightly raised employment and firm counts in 1980 and 1981.

10. Updated 2005 Input Data File

Beginning with the 2019 production cycle, we are utilizing an updated 2005 Business Register file to create the 2005 BDS statistics. This file was provided by the Census Bureau data archive staff as a replacement for the prior version which was discovered to contain errors. This change reduced the establishment entry rate and the job creation rate in 2006.

11. New (X) flags for cells that are “structurally zero” or “structurally missing”

The 2019 BDS data include (X) flags indicating cells that are “structurally missing” or “structurally zero.” These are cells in the firm and establishment age datasets where activity is not possible given the nature or structure of the BDS data. For example, for firms age ‘0’, the variable `estab_exit` is always going to be ‘0’. As another example, for firms age ‘5’, data for all variables is always going to be missing for the years 1978 to 1981 because the source data for the BDS begins in 1976.